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Sen. George's venture capital act signed into law

Lansing – Certain companies will see tax credits and incentives to encourage business investment in Michigan, Sen. Tom George (R-Texas Twp) announced today after his bill was signed into law by the governor.

Public Act 297 establishes a Single Business Tax credit to make Michigan more attractive to business investment and economic development. Another piece of legislation also signed into law establishes the Michigan Early Stage Venture Capital Investment Fund, which provides tax credits for fund investors.

"This venture capital legislation will be beneficial to the Kalamazoo area," George said. "It will help create an environment encouraging the growth of small, science-related and high-tech businesses. It also will help make Michigan a more attractive place for venture capital investors to send their money."

SBT credits would be limited to \$30 million per year and \$150 million in total, beginning in tax years after 2008.

"We believe this law represents a great step in the right direction to lure new innovative businesses to Michigan," says John T. Long III, president and CEO of the Kalamazoo Regional Chamber of Commerce. "With the extremely competitive nature of today's business climate, and the harsh realities regarding the state's budget challenges, this sends the message to science-related and high-tech businesses that we want you to locate your business in Michigan and we are willing to invest in the success of your future here."

Michigan currently ranks 34th among the 50 states in venture capital investments. The majority of high-tech industrial states rank well above Michigan. Most Great Lakes states outrank Michigan as well, including Minnesota (16th), Pennsylvania (17th), Illinois (18th), Ohio (31st) and Wisconsin (32nd).

The public act is part of the Republicans' JOBS plan to fight for jobs in the Great Lakes state. JOBS — Job Opportunities for Business Success — is an initiative put forth by House and Senate Republicans to increase job opportunities and revitalize the Michigan economy.

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